# GOVERNMENT OF INDIA
# COMMERCE AND INDUSTRY
# LOK SABHA

UNSTARRED QUESTION NO:3260
ANSWERED ON:11.08.2000
FDI IN RETAIL TRADING
AJAY CHAKRABORTY;DR. KIRIT SOMAIYA;HANNAN MOLLAH

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

(a) whether the Government are reconsidering its earlier policy of not allowing FDI in retail trading and opening the way for foreign companies to deal in retail trading as reported in `The Economic Times` of June 26, 2000 captioned `New Policy on FDI in trading arms likely`;

(b) if so, whether the Hon`ble Minister of Commerce and Industry had assured the representatives of Business Associations and Members of Parliament that Government would not allow FDI in retail trade;

(c) if so, the reasons behind reconsidering of its earlier decision;

(d) whether any representations from Bombay Small Scale Industries Associations have been received in this regard;

(e) if so, the details and reaction thereto;

(f) the number of requests and proposals received from Foreign Investors/Multi-NationalCompanies in this regard and the details of such proposals;
(g) whether the Government are also re-considering its stand to allow cash and carry, semi-whole-sale and Retailing permission given for FDI; and
(h) if so, whether the Government propose to review its stand to allow Spencer & Co. and Mauritius based company`s proposal for cash & carry business in India?

## Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN)

(a) No, Sir.

(b) & (c) Does not arise.

(d) & (e) Representation has been received from Mumbai Small Scale Industries Association showing concern on FDI approval to multinational toy retailers to start operations in India more particularly approval granted to M/s.Al-Futtaim Sons & Co. for import, manufacture and sale of toys `R` Us and its likely adverse affect on the Small Scale Industries.Approval was granted to this company on the ground that toys were an SSI reserved item and therefore the applicant could either sub-contract the manufacture of these toys to SSI units or undertake a 50% export obligation as per policy. However, no permission for retail trading has been given.

(f) As the policy is well-known new requests/proposals are not coming forth. Details of earlier approvals are available in SIA Newsletter, which is widely circulated.

(g) No, Sir.

(h) The approvals were granted as per the prevailing policy on the subject.